

# NEWS RELEASE

UNITED STATES ATTORNEY'S OFFICE  
318 South Sixth Street  
Springfield, IL 62701  
Tel: 217/492-4450

RODGER A. HEATON  
U.S. ATTORNEY  
CENTRAL DISTRICT OF ILLINOIS



For Immediate Release  
February 13, 2006

Contact: Gregory K. Harris  
Assistant U.S. Attorney  
(217) 492-4450

## **Former Illinois Lottery Winner Sentenced to 22 Months in Prison for Lying to Bankruptcy Court**

Springfield, Illinois -- The United States Attorney for the Central District of Illinois, Rodger A. Heaton, announced that a Washington state woman was sentenced Friday, February 10, 2006, for making a false statement while under oath in a bankruptcy proceeding in central Illinois. U.S. District Judge Jeanne E. Scott sentenced Karen Diane Cohen, 53, of Edmonds, Washington, to serve 22 months in prison. Judge Scott set April 4, 2006, for Cohen to self-report to a facility designated by the federal Bureau of Prisons to begin her term of imprisonment.

Cohen was convicted in October 2005 following a jury trial. Evidence presented by the government at trial showed that in June 1982, Cohen, who lived in Lincoln, Illinois at the time, won \$1,000,000 playing the Illinois State Lottery. The winnings were paid in 20 annual installments of \$50,000. When Cohen and her husband divorced in 1984, the settlement included a court order requiring Cohen to pay her ex-husband \$9,000 from each annual lottery payment. When Cohen filed for personal bankruptcy in 2000, she sought to discharge her obligation to pay her ex-husband his remaining portion of the Lottery winnings for 2000 and 2001, when the last Lottery payment was due.

The jury found that in December 2000, during a hearing before U.S. Bankruptcy Judge Larry Lessen, in the Central District of Illinois, Cohen lied when she said she had not received the checks for her ex-husband's share of the lottery proceeds in 1997 and 1998. Based on Cohen's statements, the bankruptcy judge discharged Cohen's debt to her ex-husband for 2000 and 2001.

(More)

The case resulted from a referral by Bankruptcy Judge Larry Lessen and an investigation by the Federal Bureau of Investigation in coordination with the Central Illinois Bankruptcy Fraud Working Group. Members of the Bankruptcy Fraud Working Group include representatives of the U.S. Attorney's Office for the Central District of Illinois, U.S. Trustee's Office for Region 10, Federal Bureau of Investigation, Secret Service, U.S. Postal Inspection Service, the Criminal Investigation Division of the Internal Revenue Service, the Department of Health and Human Services and the Department of Housing and Urban Development. Assistant U.S. Attorneys Gregory K. Harris and John Childress prosecuted the case.

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